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INFORMATION REPORT

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COUNTRY China/USSR

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SUPPLEMENT TO REPORT NO.

1. At present there are 2,500 foreign technicians in Lanchuria, of which 1,500 are Japanese. The pay of coviet technicians is about US \$1,000 a year. The number of Soviet technicians and experts is limited by the amount of money available for their pay.

- 2. Soviet help is welcomed, but the loviets are not in control of the lortheast, which is virtually an autonomous area.
- 3. No private enterprise remains in Anchuria. Norkers are paid in three grades according to ability. The sick and aged are looked after by the state. The population can move about freely and can quit jobs if not satisfied. Labor shortage makes it easy to get a job.
- 4. Very little machinery has been returned to Lanchuria from the USSR. Damaged plants in Fanchuria are being rebuilt by taking machinery from other wrecked factories. Out of 14 cement works, 7 were rebuilt by taking equipment from the other 7. New machinery and replacements can be bought gradually with currency obtained from food exports.
- 5. The Chinese Communist Government has placed orders in Hong Kong and Shanghai for machinery worth several million pounds.
- 6. Machinery being supplied by the USSR includes mining gear, locomotives, textile machinery, food canning plants and 300 tractors, of which 200 have been delivered. Very little boviet machinery can be used for replacement because Joviet parts do not fit machinery from Japan, the United States and Great britain.
- 7. Northeast economic reconstruction is top priority and will serve as a pattern for other areas. In China, industry north of the Yangtze will developed first.

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